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STATEMENT - MACKENZIE GAS PROJECT

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OTTAWA (May 18, 2007) - The Honourable Jim Prentice, Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians issued the following statement today regarding the Mackenzie Gas Project:

In response to recent media coverage on the Mackenzie Gas Project, I would like to take this opportunity to set the record straight on the federal government's position on the project.

Canada's New Government is not considering ownership of the Mackenzie Gas Project, and I have conveyed this message directly to the proponents. Any suggestions or speculation that this may be the case are inaccurate, misguided, and originate from ill-informed sources.

Furthermore, as I have stated on numerous occasions, the federal government has absolutely no interest and no role in directly subsidizing a private sector project. These issues have not been under discussion by the government, either with the proponents or Aboriginal groups. Any suggestions that the project is being driven by non-commercial interests such as employment considerations or Aboriginal policy are completely incorrect and ill-informed.

What is true is that the proponents are actively reviewing the competitiveness of a northern gas pipeline. Driven by the escalating cost estimates of the project, the proponents are assessing the competitiveness of a pipeline in relation to other options, most notably the use of liquefied natural gas terminals.

These are important discussions and considerations, and government officials have been involved in these discussions, at a technical level. Our position, which we have clearly communicated to the proponents, is that the project would make economic sense as a "common carrier pipeline", and could generate a rate of return consistent with other common carrier pipelines.

I understand the project has the potential to make an important contribution to sustained economic activity for Northerners and all Canadians, and to strong and healthy Aboriginal and Northern communities. But, it must make sense in terms of its economics and as public policy.

For further information please contact:

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